

Reviewed
2/16/06
[Signature]

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/2005 To (mo./yr.) 12/2005
2. DOGM File Number (Mine No): M/035/004
3. Mine Name: Pine Canyon Reclamation
4. Mineral(s) Mined (or permitted to mine): Copper and associated metals
5. Type of mine: ☐ Surface Mine or ☒ Underground Mine
6. Legal Description (Location of Lands Affected):
 1/4, 1/4, 1/4, Section _____, Township _____, Range _____
 1/4, 1/4, 1/4, Section _____, Township _____, Range _____
 1/4, 1/4, 1/4, Section _____, Township _____, Range _____

S1/2 SW1/4, Section 17;
N1/2 NW1/4, W1/2 NE1/4, SE1/4 NE1/4, E1/2 SE1/4 Section 20;
SW1/4 SW1/4, Section 21;
W1/4 NW1/4, Section 28;
NE1/4 NE1/4, Section 29;
Township 3 South, Range 3 West
7. Name of Operator or Company: Kennecott Utah Copper Corp.
8. Permanent Street Address: 8362 W 10200 S
City, State, Zip: Bingham Canyon, Utah, 84006
Phone (801) 569-7120 Fax: (801) 569-7192 E-mail: doughtyp@kennecott.com
9. Company Representative (or designated operator):
Name: Paula Doughty
Title: Director, Environ. Affairs
Business Address: P.O. Box 6001
City, State, Zip: Magna, Utah, 84044-6001

Phone: (801) 569-7120 Fax: (801) 569-7192 E-mail: doughtyp@kennecott.com
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☐ No ☒
2. If no - what was the last year of activity? The mine was last active in 1983. Kennecott Utah Copper Corp. purchased the inactive property from Anaconda Minerals Co. in 1985.
3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. Not Applicable
4. Briefly describe the type of work performed, during the past year. Water is pumped out of the Carr Fork Shaft and piped through the Pine Canyon/Parvenu Tunnel to the Bingham Canyon Mine where it is discharged to established water collection systems. The water is being removed as part of the general pit dewatering program at the Bingham Canyon Mine and for use as process water at the Copperton Concentrator. The only other work was general systems maintenance on electrical and pumping equipment.
5. How much **new or additional acreage** was disturbed during the past year? No additional acreage was disturbed in 2005.
6. How much acreage was **reclaimed** during the past year? No final reclamation in 2005.
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release). No reclamation took place in 2005.
8. What is the **total disturbed acreage of entire project** at years end? The only disturbed acreage remaining in Pine Canyon are those sites identified in the 1988 reclamation plan that were left in place for long term use and cover an area of approximately 17.3 acres. These sites include the Pine Canyon Tunnel portal and concrete flume, production shaft head frame, access road, warehouse shop, culinary water system, water supply wells, power line to wells, fresh water tank and a small waste rock pile adjacent to the head frame which was left unreclaimed due to the steep grade.
9. Briefly summarize any mining and/or reclamation plans for the upcoming year. Water will continue to be pumped out of the Carr Fork Shaft and piped through the Pine Canyon/Parvenue Tunnel to the Bingham Canyon Mine for ultimate use as process water at the Copperton Concentrator.

No new map of the area is attached because there have been no significant changes to the area since a map was submitted in 1988.

10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information - R647-4-121.2

1. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Paula Doughty

Title of Operator: Director, Environmental Affairs

Signature of Operator: Paula Doughty

Date: 1/31/2006

Jb
o \forms\reports\MR-AR